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INTERSTATE COMMERCE COMMISSION

GREENLEASE COMPANY  
A DIVISION OF GREENVILLE STEEL CAR COMPANY

RAILROAD CAR SERVICE LEASE AGREEMENT

(As filed with the Interstate Commerce Commission)

Effective as of the 1st day of December, 1965,  
GREENLEASE COMPANY, A DIVISION OF GREENVILLE STEEL CAR COMPANY,  
a Pennsylvania corporation (hereinafter referred to as "Lessor"),  
and CONSOLIDATION COAL COMPANY, a Delaware corporation (hereinafter  
referred to as "Lessee");

WITNESSETH THAT:

Lessee's predecessor, Consolidation Coal Company,  
a Pennsylvania corporation, and the Lessor heretofore entered  
into a Railroad Car Service Lease Agreement effective December 1,  
1965, amended August 23, 1967, (the "Lease"), whereby Lessor leased  
to Lessee's said predecessor certain railroad cars. Lessee, by  
assignment dated September 15, 1966, succeeded to all the rights  
and obligations of its said predecessor under the Lease.

1. Lessor will lease to Lessee the following described  
railroad freight train cars (hereinafter called the "Cars"), for  
the term and at the monthly rental charges set forth herein:

No. of Cars

Specifications

164

GSCCo. Specification 3832B  
(revised April 11, 1967) and  
GSCCo. General Arrangement  
Drawing 32118

100-Ton High Side  
Gondola Cars; AAR  
Mechanical Designa-  
tion GT; Road Nos.  
GSCX 5000 to 5163,  
inclusive.

The Cars will be delivered in lots of 82 Cars each to Lessee f.o.b. tracks of Lessor at Greenville, Pennsylvania, with transportation prepaid to Greenville, Pennsylvania, tracks of Pennsylvania Railroad Company. The first lot of Cars will be delivered on July 1, 1967, or with the consent of Lessee prior to said date. At least seven days prior to completion of all the Cars in the second lot, Lessor will give notice of the expected date of completion thereof to Lessee, and the second lot of Cars will be delivered on such date thereafter as shall be specified by Lessee by notice to Lessor, but in no event later than December 31, 1967. The Cars will be operated by Lessee as components of two unit trains of equal size moving on lines of the Pennsylvania Railroad between Georgetown, Ohio and the Detroit-Edison Company plant at Trenton Channel, Michigan. Lessor's obligation as to delivery of Cars shall be subject to delays due to labor trouble, fires, delays of carriers or subcontractors, or other causes beyond the control of Lessor.

2. (a) The period from the date of this Agreement until the last day of the calendar month in which delivery of the second lot of Cars is made, is herein referred to as the "Interim Term" of the lease. The "Principal Term" of the lease shall commence on the first day after the Interim Term, and shall extend for a period of fifteen (15) years.

(b) During the Interim Term, Lessee will pay to Lessor an interim rental for the Cars at the rate of \$54.36 per month per Car (which shall be prorated for less than whole months),

(i) with respect to the first lot of Cars, from and including the date of delivery of such lot, and

(ii) with respect to the second lot of Cars, from and including the first business day following the date of completion thereof (as specified in the above-mentioned notice from Lessor to Lessee),

to and including the last day of the Interim Term. The interim rental shall be paid on the first day of the Principal Term, at the office of Lessor in Greenville, Pennsylvania.

(c) During the Principal Term, and until each Car is returned to Lessor as hereinafter provided, Lessee will pay to Lessor rent for the Cars, except as otherwise specified herein, at the rate of \$105.95 per Car per month. Rent shall be paid at the Lessor's office in Greenville, Pennsylvania, in advance on the first day of each month during the term of this Agreement, and shall be prorated for less than whole months. Adjustments in advance rentals shall be made to reflect any rental paid in a previous month which was not due to Lessor by reason of the provisions of paragraph 7 hereof.

3. Lessee shall pay to Lessor, in addition to the rental above provided, in advance on the first day of each month during the Interim and Principal Terms hereof, commencing with respect to each Car on the date of delivery thereof and continuing until such Car is returned to Lessor, subject to the provisions of paragraph 13 hereof, a fixed maintenance charge for each Car. Such advance maintenance payments shall be adjusted monthly when necessary to reflect any maintenance payment made in a previous month which was not due to Lessor by reason of the provisions of paragraph 7 hereof. Such maintenance charge shall also be subject to adjustment at the end of each year of the Principal Term with respect to each Car, by an annual

mileage adjustment factor based upon usage (subject to escalation as hereinafter provided). The amounts of the maintenance charge per Car per month and of the mileage adjustment factor are set forth in the Railroad Car Service Lease Agreement, as amended, between the parties hereto pertaining to the Cars, hereinabove referred to, which is hereby incorporated by reference, and the terms and provisions of which remain in full force and effect. The Pennsylvania Railroad will certify to Lessor the number of miles of car operation during each month. The aggregate net amount of the adjustment shall be computed by dividing the aggregate mileage for each twelve-month period by the average number of Cars in service during such period. Payment of such adjustments due to increased or decreased mileage shall be made within twenty (20) days after the mileage for each twelve months of the Principal Term shall have been certified by the Railroad.

4. Any demurrage, track storage or detention charge imposed in connection with any Car covered by this Agreement shall be the liability of Lessee or consignee.

5. Lessor will maintain the Cars in serviceable operating condition during the Interim and Principal Terms hereof, and will repair, rebuild or replace Cars as required. Lessor agrees to maintain the Cars so that, to the extent possible, there shall be available to Lessee throughout the term hereof, two (2) unit trains of not less than 78 Cars each capable of continuous operation. If a Car is destroyed or becomes unfit for service, Lessee may at its option, by notice in writing to Lessor,

(i) terminate this Lease as to such Car, in which event all obligations of Lessor and Lessee hereunder with respect to such Car will cease effective the date of such notice; or

(ii) require Lessor to replace such Car. Replacement Cars shall be subject to all the terms and conditions of this Lease, except that in the event Lessor replaces any Cars with new Cars, the Principal Term of this Lease shall at the option of Lessee (by election specified in such written notice) either (A) be extended, with respect to such replacement Car only, so that it continues for a period of fifteen (15) years from the date of replacement, or (B) be extended (for all Cars) for a period equal to the sum of all elapsed Car-days (being the number of days elapsed from the commencement of the Principal Term to the date of replacement) with respect to all replaced Cars, divided by the number of Cars subject to the Lease at the end of 15 years from the commencement of the Principal Term. Pending replacement of destroyed or unfit Cars, Lessor shall be under no liability other than to make such replacements as promptly as possible.

Lessee's sole obligation with respect to the care and maintenance of the Cars shall be to make the rental and maintenance payments required herein; provided, however, Lessee will be liable for loss of or damage to any Car, or parts thereof, if such loss or damage is due to the negligence of Lessee or its sublessee, consignee or consignor, or due to damage caused by car shakers, open flame heat, excessive radiant heat or other similar acts, or if such loss or damage occurs from any cause whatsoever while such Car is in the care, custody and control of Lessee or a sublessee while on the private tracks of Lessee or a sublessee.

6. Lettering or marking of any kind evidencing the operation of the Cars in Lessee's service may be placed upon any of the Cars by Lessee without Lessor's prior written consent.

7. If any of the Cars are removed from service for any of the following causes, rental charges and maintenance charges provided for in paragraphs 2 and 3 hereof will be handled as follows:

Cars placed in railroad or car shops for normal repairs resulting from ordinary wear and tear in fair service: after the lapse of four days commencing the day Cars are ordered to shops, the rent and maintenance charge on the Cars so placed shall cease until such Cars are returned into Lessee's service.

Cars placed in railroad or car shops for repairs other than those resulting from ordinary wear and tear in fair service: commencing the date the Cars are ordered to shops, the rent and maintenance charge on the Cars so placed shall cease until such Cars are returned into Lessee's service, unless the repairs are required as the result of misuse or negligence of the Lessee, in which case the rent and maintenance charge on such Car or Cars shall continue during the period of repair and thereafter in accordance with the provisions of this Lease.

Cars destroyed or totally unfit for further service: commencing the date the Cars are destroyed or removed from Lessee's service, the rent and maintenance charge on such Cars shall cease until replacement Cars are put into Lessee's service.

Lessee shall cause the railroad or car shops where Cars are placed for repairs to make such repairs as expeditiously as possible. If rent is abated pursuant to this paragraph for the making of repairs, then the Principal Term of the Lease will automatically be extended by the number of days equal to the aggregate number of days of abated rent divided by the number of Cars subject to the Lease at the end of 15 years from the commencement of the Principal Term.

8. Lessee agrees to indemnify and save harmless Lessor against and from any charge or claim made against Lessor, and any expense or liability which Lessor may incur, arising out of the use or operation of the Cars by Lessee resulting in damage to property of others or injury to any person, unless such charge, claim, expense or liability results from the negligence of Lessor or the railroad carrier, or the employees or agents of either.

9. While it is understood that the Cars are intended to be used exclusively in shuttle runs hereinbefore referred to, the parties agree that if for any reason any of such Cars are not needed in that service, Lessee may with the prior written consent of Lessor sublease such Cars for other service hauling coal or similar commodities. Lessee will not permit or suffer any encumbrance or liens arising from claims against Lessee to be entered or levied upon any of the Cars. Lessee shall not assign its interest in this Agreement without the prior written consent of Lessor except that Lessee may assign all of its interest in this Agreement to a subsidiary or affiliated corporation without the consent of Lessor, provided that no such assignment shall relieve Lessee of liability hereunder.

10. (a) The Lessor may assign or mortgage all its right, title and interest in and to each of the Cars and/or all moneys payable to the Lessor hereunder for financing purposes, so long as the assignment or mortgage recognizes Lessee's right to continued possession of the Cars upon compliance with the terms of the lease. All of the provisions of this Agreement for the benefit of the Lessor shall inure to the benefit of and may be exercised by or on behalf of such assignee or mortgagee. All rental payments and maintenance charges due and to become due under this Agreement and so assigned or mortgaged shall if directed by Lessor be paid directly to such assignee or mortgagee. The right of any such assignee or mortgagee to the payment of assigned rentals and maintenance charges hereunder shall not be subject to any defense, counterclaim or setoff which the Lessee may have against the Lessor.

(b) Lessor may also sell, assign and transfer all its right, title and interest in and to each of the Cars, and under this Agreement, to another corporation, whether by written instrument or by operation of law, if such other corporation acquires all or substantially all the property of Lessor through purchase, liquidation, merger or consolidation, and assumes in writing to Lessee all obligations of Lessor hereunder.

(c) Lessor will keep the Cars free of all liens and encumbrances (except a lien given to an assignee or mortgagee as herein authorized), will not sell, assign, lease or otherwise dispose of the same (except as herein authorized), and will do nothing to disturb Lessee's full right of possession and enjoyment and the exercise of all of Lessee's rights with respect thereto as provided by this Agreement.



11. The time of payment of rentals is of the essence of this Agreement. If Lessee shall make default in the payment of rentals for the Cars at the time when same become due and payable, or shall fail to carry out and perform any other of its obligations hereunder and such default shall continue for ten (10) days after written notice of same to Lessee, or there shall be filed by or against Lessee a petition in bankruptcy or for reorganization under the Bankruptcy Law or there shall be a receiver appointed of any part of Lessee's property or Lessee shall make a general assignment for the benefit of creditors, then and in any of said events Lessor, at its election, (a) may terminate this lease and repossess itself of the Cars and this lease shall thereupon become and be terminated; or (b) may repossess itself of the Cars and re-let the same or any part thereof to others for such rent and upon such terms as may be reasonable under the circumstances, and if a sufficient sum shall not be thus realized after repaying all expenses of re-taking and re-letting the Cars and collecting the rentals thereof to satisfy the rentals herein reserved, Lessee will satisfy and pay the deficiency from time to time upon demand. The obligation to pay such deficiency shall survive such termination of this lease and/or such retaking of the Cars. The aforesaid remedies of Lessor shall not be deemed exclusive, but shall be cumulative and in addition to all other rights and remedies given or provided by law or in equity.

12. In the event the Lessor fails or is unable to perform its obligations hereunder; or in the event the Lessor's interest

in the Cars shall be levied upon, or taken in execution, or subjected to encumbrances other than permitted by paragraph 9; or in the event the Lessor becomes insolvent or bankrupt or makes an assignment for the benefit of creditors or consents to the appointment of a trustee or a receiver, or a trustee or receiver is appointed for the Lessor or a substantial part of its property without its consent, or if bankruptcy, reorganization, arrangement, insolvency, or liquidation proceedings are instituted by or against the Lessor, then, and in any such event, the Lessee shall have the option, either (a) to terminate this Agreement and to purchase all Cars leased hereunder upon payment of the amount which would be payable as destroyed value under the rules of the American Association of Railroads then in effect, had each such Car been negligently destroyed by an Association member at the time of purchase, or (b) to continue rental and maintenance payments until the expiration of the term of the lease for each Car. Each Car shall, upon full payment under option (a), become the Lessee's property without further payment or cost. In such event, the Lessor shall execute such assignment or other documents as may be required to transfer all right, title, or interest therein to the Lessee.

13. Lessee shall have an option, exercisable on six (6) months' written notice to Lessor prior to the expiration of the Principal Term, to extend the term of the Agreement as to some or

all of the Cars for a period not to exceed six (6) years, subject to the following:

(a) The monthly rental during the term of any extension shall be \$50.80 per Car.

(b) Lessor may serve written notice upon Lessee prior to the expiration of the fifth month of the fifteenth year of the Principal Term that it will not during any extension continue to maintain the Cars as provided in paragraph 5 hereof, and if Lessee elects to extend the term after receiving such notice, Lessee shall thereafter be solely responsible for the care and maintenance of the Cars during such extension.

(c) During any extension, Lessor will not be obligated to rebuild or replace Cars destroyed or unfit for service, but this Agreement shall terminate as to any such Cars on the date they are destroyed or removed from service.

(d) Lessee may terminate this Agreement as to some or all of the Cars at any time during any extension by giving Lessor thirty (30) days' written notice of its intention to do so.

At the end of the term of this lease or extension thereof, Lessee will release the Cars to Lessor at the point on lines of Pennsylvania Railroad nearest to Greenville.

14. (a) Lessee will pay or cause to be paid all federal, state and local taxes, assessments and other governmental charges payable by Lessee or levied or assessed against the Lessee in respect of the Cars, or the interest of the Lessee therein, or the use or operation thereof, or the earnings arising therefrom.

(b) Lessee will pay or cause to be paid or reimburse the Lessor for all federal, state and local sales and use taxes levied or imposed upon Lessor and measured by any sale, use, operation, payment, shipment, delivery or transfer of title of the Cars under the terms of this Lease.

(c) Lessee will pay to Lessor an amount equal to the aggregate of all federal, state and local ad valorem property taxes of a type measured by the value of the Cars or the mileage thereon or the earnings therefrom, which would be payable by Lessor with respect to the Cars without regard to any other railroad equipment at the time owned by Lessor. It shall be the responsibility of Lessor to pay all such types of taxes and to file all governmental returns and reports relating thereto. Lessor will annually certify to Lessee its computation of the amount payable by Lessee to Lessor hereunder, and Lessee will promptly thereafter pay to Lessor such amount.

15. At any time during the term of this Agreement, Lessee will, if requested by Lessor, and at Lessor's cost, execute and acknowledge a Supplement to or Memorandum of this Agreement, and any other and future instruments as Lessor may request, confirming the lease

of the Cars and the date of commencement of the Principal Term, and containing other appropriate terms and provisions, in form for filing and recording with the Interstate Commerce Commission or any other governmental agency having jurisdiction, in order to publish notice of and to protect the title of Lessor to the Cars and its rights under this Agreement.

16. Any notice, demand or other communication hereunder shall be in writing and shall be deemed to have been duly given when personally delivered or deposited in the mail first class postage prepaid or delivered to a telegraph office charges prepaid, addressed as follows:

If to the Lessor:

Greenlease Company  
A Division of Greenville Steel Car Company  
Greenville, Pennsylvania 16125

If to the Lessee:

Consolidation Coal Company  
436 Seventh Avenue  
Pittsburgh, Pennsylvania 15222

or addressed to either party at such other address as such party shall hereafter furnish to the other in writing.

17. This Agreement and all rights and obligations hereunder shall be construed and enforced in accordance with and governed by the laws of the Commonwealth of Pennsylvania. Subject to the limitations on assignment contained herein, this Agreement shall be binding upon

and shall inure to the benefit of the parties hereto and their successors and assigns.

WITNESS the due execution hereof as of the day and year first set forth above.

Attest:

GREENLEASE COMPANY, A DIVISION  
OF GREENVILLE STEEL CAR COMPANY  
(Lessor)

7 B. Dyer  
Assistant Secretary

By James A. Dyer, Jr.  
Vice President

[CORPORATE SEAL]

Attest:

CONSOLIDATION COAL COMPANY (Lessee)

C. M. Dyer  
Assistant Secretary

By J. B. Dyer  
Vice President

[CORPORATE SEAL]

COMMONWEALTH OF PENNSYLVANIA )  
COUNTY OF ) SS:

On this 18<sup>th</sup> day of February, 1970,  
before me, the undersigned officer, personally appeared  
John L. Green, who acknowledged himself  
to be the Vice President of Greenlease Company, a Division of  
Greenville Steel Car Company, a Pennsylvania corporation, and  
that he, as such officer, being authorized so to do, executed  
the foregoing instrument for the purposes therein contained,  
by signing the name of the Corporation by himself as Vice  
President.

IN WITNESS WHEREOF, I hereunto set my hand and  
official seal.

Matilda Bassi  
Notary Public

[NOTARIAL SEAL]

My Commission Expires:

MATILDA BASSI, Notary Public  
Pittsburgh, Allegheny County, Pa.  
My Commission Expires  
October 21, 1972

COMMONWEALTH OF PENNSYLVANIA )  
COUNTY OF Allegheny ) SS:

On this 6th day of January, 1972,  
before me, the undersigned officer, personally appeared  
C. E. Mitt, who acknowledged himself  
to be the Vice President of Consolidation  
Coal Company, a Delaware corporation, and that he as such  
officer, being authorized so to do, executed the foregoing  
instrument for the purposes therein contained, by signing the  
name of the Corporation by himself as Vice President.

IN WITNESS WHEREOF, I hereunto set my hand and  
official seal.

John Frangello  
Notary Public

[NOTARIAL SEAL]

My Commission Expires:

JOHN FRANGELLO, Notary Public  
Pittsburgh, Allegheny County, Pa.  
My Commission Expires  
February 1, 1975